"E-PAYMENT MODES OFFERED BY SELECTED PUBLIC AND PRIVATE SECTOR BANKS: A COMPARATIVE STUDY WITH REFERENCE TO BAGALKOT DISTRICT."

INTRODUCTION

E-payment mode is a way of making transactions or paying for goods and services through an electronic medium without the use of check or cash.

Now-A-days the main banking function of the money lenders were to this work, however he was take the money with low rate of interest from other people same time he was lend money with high rate of interest to needy people after these functions were extended and some services the banking has became so great that in modern economy.

Today banks are providing so many e-payment modes such as follows, NEFT, RTGS, EFT Credit card, Debit card, Smart card, E-wallets, Mobile wallets, UPI app(SBI pay, union bank UPI app), Gift card, Adhaar enabled payment system, USSD-unstructured supplementary service data, etc

Evolution of banking in india.

A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities. They are the active players in financial market. The essential role of a bank is to connect those who have capital with those who seek capital. After the post economic liberalization and globalization, there has been a significant impact on the banking industry.

The first bank of india is bank of Hindustan established in 1770. This bank was established at Calcutta under european management. 2 june 1806-The bank of Calcutta was established, it was renamed in 1809 as Bank of Bengal. 15 april 1840- Bank of Bombay was established, 1 july 1843- Bank of madras was established.

In 1921 all three banks were amalgamated to form of imperial bank of india with private body, 1955 imperial bank of india was nationalized and renamed as state bank of india, is oldest bank in india among all banks.

Evolution of E-payment modes.

History of the Card Payments System

Over the last 50 years, credit, debit and prepaid cards are as well as other advanced forms of E- payment have emerged as a driving force behind the explosion of the global economy. The increased ability to conduct commerce on a worldwide scale has brought economic growth to almost every corner of the world

In 2004, for example, card payment transactions worldwide totaled more than $12trillion. It has been estimated that electronic payments. large number of which are made using payment cards – save countries an average of at least one percent of GDP over the cost of paper-based payments, such as cash and checks.

The origin of the E-payment, since their beginning in 1946, payment cards have become a global force the fastest, most secure, most convenient and most cost-effective method of payment in the world.

1946: Banker John Biggins introduces the first bank card, "Charg-It," into his Brooklyn neighborhood. Whenever a customer charges a purchase at a local merchant, the charge is forwarded to Biggins' bank, which reimburses the merchant and retrieves payment from the customer. It is a relatively simple transaction, as all Charg-It cardholders are also account holders at Biggins' bank.

1951: New York's Franklin National Bank introduces the first bank credit card. It can be used only by the bank's account holders. Over the next decade, several similar single-bank franchises in each major U.S. city begin accepting cards as payment with certain merchants they have chosen to work with.

1955: Diners Club, whose cardholders have been using its card to pay for meals at upscale New York City restaurants since 1950, begins enabling its 200,000 cardholders to use it for purchases at stores in more than a dozen countries.

1959: Financial institutions introduce the option of maintaining a revolving balance subject to finance charges, giving customers greater flexibility in making purchases and managing their finances.

1966: On August 16, InterBank Card Association (ICA) is established by a group of credit-issuing banks, creating a national credit card system. Unlike other similar organizations, ICA (now MasterCard Worldwide) is not dominated by a single bank.

Member committees are created to run the association. They establish rules for authorization, clearing and settlement; standardize the billing process; put in place rules and procedures to reduce fraud and other abuses; and handle marketing, security and legal aspects of running the organization. The ICA also develops a payment network system to process the exchange of funds.

1968: ICA begins what is now a huge global network by forming an association with Banco Nacional in Mexico. Later that year, they form an alliance in Europe with Eurocard and the first Japanese members join. Many countries follow close behind the early international members and by the late 1970s, ICA has members from as far as Africa and Australia. To reflect the commitment to international growth, ICA changes its name to MasterCard.

1980s: MasterCard leads the charge to globalize the use of payment cards by expanding them into Asia/Pacific and Latin America. During this period, the first purchase using an "ATM" card and a personal identification number (PIN) at a point-of sale terminal is processed.

1983: Prepaid telephone cards are introduced by STMicroelectronics.

1987-1988: MasterCard continues its work to expand payment cards globally by introducing the first payment cards in the People's Republic of China and the Soviet Union.

1988: The first nationwide PIN-debit provider is launched, and the first signature debit transaction is processed.

1989: MasterCard begins laying the groundwork for the first truly global debit system by expending the technology into Europe.

1996: Video-store chain Blockbuster introduces the first non-telephonic prepaid gift

card, in lieu of gift certificates.
1997: Businesses that employ large numbers of unbanked workers begin offering payroll cards as an alternative to paper checks; these cards can be used wherever credit or debit cards are accepted.
1990: MasterCard is the first to bring debit cards to Canada. As of 2005, the nation has the highest per-capita use of debit cards in the world.

E-payment modes-

- NEFT
- RTGS
- EFT
- Credit card
- Debit card
- Smart card
- E-wallets
- Mobile wallets
- UPI app(SBI pay, union bank UPI app)
- Gift card
- Adhaar enabled payment system
- USSD-unstructured supplementary service data, etc

Merits of e-payment modes-

1.**Time savings**- Money transfer between essential accounts usually takes a few minutes, while a wire transfer or a postal one may take several days. Also, you will not waste your time waiting in line at bank or post office.

2. **Expenses control**- Even if someone is ready to bring his disbursements under control, it is necessary to be patient enough to write down all the petty expenses, which often takes a large part of the total amount of disbursements. The virtual account contains the history of all transactions indicating the store and the amount you spent. And you can check it anytime you want. This advantage of electronic payment system is pretty important in this case.

3. **Reduced risk of loss and theft**- You cannot forget your virtual wallet somewhere and it can not be taken away by robbers.

4. **Low commissions**- If you pay for internet service provider or a mobile account recharge through the UPT (unattended payment terminal), you will encounter high fees. As for the electronic payment system: a fee of this kind of operations consists of 1% of the total amount, and this is a considerable advantage.

5. **User-friendly**- Usually every service is designed to reach the widest possible audience, so it has the naturally understandable user interface. In addition, there is always the opportunity to submit a question to a support team, which often works 24/7. Anyway you can always get an answer using the forums on the subject.

6. **Convenience**- All the transfers can be performed at any time, anywhere. It's enough to have an access to the Internet.

Drawbacks of E-payment modes.

1. **Restrictions**- Each payment system has its limits regarding the maximum amount in the account, the number of transactions per day and the amount of output.

2. **The risk of being hacked**- If you follow the security rules the threat is minimal, it can be compared to the risk of something like a robbery. The worse situation when the system of processing company has been broken, because it leads to the leak of personal data on cards and its owners. Even if the electronic payment system does not launch plastic cards, it can be involved in scandals regarding the Identity theft.

3. **The problem of transferring money between different payment systems**- Usually the majority of electronic payment systems do not cooperate with each other. In this case, you have to use the services of e-currency exchange, and it can be time-consuming if you still do not have a trusted service for this purpose.

4. **The lack of anonymity**-The information about all the transactions, including the amount, time and recipient are stored in the database of the payment system. And it means the intelligence agency has an access to this information. You should decide whether it's bad or good.

5. **The necessity of Internet access**- If Internet connection fails, you can't get to your online account.

Review of literature:

1. (Padhmanabhan, 2008)the main objective of this paper was examining the major factors responsible for internet banking based on respondents' perception on various internet applications. the primary data was collected by 61 respondents out of the 80 with the help of structured questionnaire. Collected data was analyzed by SPSS.16 tool. this paper's result indicates that only 50% of the respondents were accept convenience method and the use of internet banking to their daily need.

2. (Shahneaz, 2013) the main purpose of this paper is a comparative analysis of level of customer satisfaction towards services provided by public and private sector banks. The primary data was collected by structured questionnaire with the help of 500 respondents has been using convenient sampling method. Finally they concluded that more number of private sector bank customers are satisfied than the public sector bank.
3. (MERCY, 2014) author is examining the performance of E-Commerce and customer satisfaction towards E-Commerce in Nigerian banks. The data collected were analyzed using chi-square. E-Commerce provide more flexible services to the customers and improve profitability and increase the profit of the Nigerian banks.
4. (P.Chinnadurai, 2015) author was highlighting the implication of SERVQUAL in state bank of India. the primary data was collected by structured questionnaire with the help of random survey. The SERVQUAL method was used to data analysis. Final result was like

this more critical and complex as well more difficult due to the fact that quality of services cannot be defined.

5. (Mohammad Abdullah Mahfuz, 2016) here author was examining the influences of m-banking services adoption in Bangladesh. the primary data was collected by 115 respondents with the help of structured questionnaire. collected data was analyzed by partial least squares (PLS) method. The final result was website quality has no significant influence of the adoption of the m-banking services.
6. (Aftab Parvez Khan, 2017) the author investigates some of the most significant factors influencing consumers' intentions to adopt online banking in the Malaysian context. The primary data was collected by structured questionnaire with help of 200 respondents. Data was analyzed by SPSS 20, correlation analysis, one-way ANOVA, t-test and multiple linear regression analysis. Final result was large variety of factors could have an impact on consumer decisions to adopt online banking systems.
7. (Mitra, 2018) this paper main purpose was finding the customer demographics influence adoption intention for e-wallets in India and predicting consumers' adoption intention. The primary data was collected from personal and telephonic interview, and in some cases, questions were mailed to respondents with the help of 80 respondents out of 150. Collected data was analyzed by Descriptive Statistics, Correlation Analysis, Regression Analysis and Cluster Analysis. The study indicates that digital wallet companies to have a better and clear understanding of factors that influence the adoption decision of Indian consumers concentrating particularly on the parameters that influence end-users to adopt their services.

Objectives of the study

1. To study e-payment modes offered by both public and private sector banks.
2. To assess the strategies adopted by both public and private sector banks to attract customers.
3. To study customers perception and satisfaction level towards the E-payment modes.
4. To offer the suggestions.

Hypothesis of the study

1) Ho: Demographic variable of customer doesn't influence on e-payment modes.

   H1: Demographic variable of customer does influence on e-payment modes.

2) Ho: These are not positive and significant relationship between strategies adopted by bank.

H1: These are positive and significant relationship between strategies adopted by bank.

3) Ho: These are not positive and significant relationship between E-payment modes and customer perception and satisfaction.

H1: These are positive and significant relationship between E-payment modes and customer perception and satisfaction.

H1: Authentication of e-payment modes have influence on the type of bank they deal.

Ho: Authentication of e-payment modes have not influence on the type of bank they deal.

Statement of the problem

In ancient time, people were using barter system for their exchange of goods and services. The transaction was conducted face to face between two parties as practical in old days. finally trade became more rigid and more inconvenient. It was very difficult to find a merchant who has interested in our goods.

Above the inconvenience caused humans to invent summary representations of value. For instance, cowries were introduced to solve some of the problems difficulties associated with the barter system.

Significance of the study

Customers are life blood for any business and banking sector has highly service oriented business. When the customer need the e-payment modes , bank always provide the service according to customer perception to fulfill customer desires.

The main reason of this research is to enable the comparative study on e-payment modes offered by select private sector banks and public sector banks. and another thing of this study is the both banks are using various e-payment modes to customers and how many customers are satisfied from these e-payment modes and which perception they have on e-payment modes.

A comparative study on e-payment modes offered by banks. There is no such study done in bagalkot district , hence the present study was initiated on e-payment modes offered by private sector banks and public sector banks in Bagalkot , Karnataka.

Scope of the study

In any service organization the quality of rendering e-payment mode is considered as an important element in order to meet the specific requirements of the customer. Banking industry is not an exception. Since the advent of the new economic policy in 1991, the competition among the public and private sector banks are so crucial that each and every bank is trying to retain its customer and are determined to provide all such e-payment modes expected or required for their customers. Only when customers are pleased they can be retained.

The researcher attention is to identify the various e-payment modes which are all useful to the customers and from which e-payment modes and banks are more satisfying customers need. In this research work the researcher attempts to compare the customers of public sector banks and private sector banks only regarding various e-payment modes offered by banks.

The researcher has also made an attempt to look at the modes such as RTGS, NEFT, EFT, debit card, credit card, smart card, etc. The study was carried out within the limit of Bagalkot district, Karnataka.

Limitations of the study

1) The study is restricted to Bagalkot district only.
2) The study is restricted to only E-payment modes.
3) For this study select public and private sector banks are taken up for research study.
4) The respondents responses may be bias, justification cannot be drawn.

Research methodology:

The research topic is ''A comparative study on E-payment modes offered by private sector banks and public sector banks in Bagalkot.'' The objective of the study is to analysis different e-payment modes in banking sector concerning to customer satisfaction and perception of puclic sector banks and private sector banks in Bagalkot.

The research design is made with both primary and secondary data to collect data for the study. Sample size of both banks will be taken for the study 100 each with the help of non-probabilistic convenient sampling method. Primary data will be collected through formal and informal discussion and well structured questionnaire. Whereas secondary data has been collected through internet downloads, various journals, subject related articles in newspaper and magazines..

The collected data will analyzed using statistical tools such as percentage, mean mode, SD, Correlation with the help of SPSS.